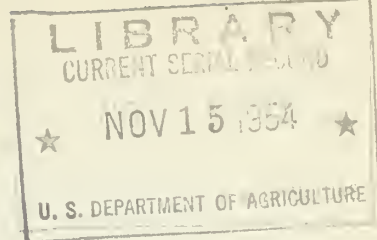


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Foreign CROPS AND MARKETS

FOR RELEASE MONDAY, NOVEMBER 8, 1954

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L A T E N E W S

The 1954 dried prune crop in France is currently estimated at 8,000 short tons. This is 18 percent below the estimated 1953 production of 9,800 tons, but only slightly below the 5-year average (1948-52) production of 8,300 tons.

It is reported that the crop will consist principally of small and medium size fruit of a quality ranging from fair to good. The sugar content is expected to be below that of recent years.

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FOREIGN CROPS AND MARKETS

Published weekly to assist the foreign marketing of U. S. farm products by keeping the nation's agricultural interests informed of current crop and livestock developments abroad, foreign trends in production, prices, supplies and consumption of farm products, and other factors affecting world agricultural trade. Circulation is free to persons in the U. S. needing the information it contains.

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CANADA'S GRAIN HARVESTING MAKING GOOD PROGRESS

Good progress was being made in grain harvesting in Canada by October 15, according to a progress report of the Dominion Bureau of Statistics. After adverse weather conditions had seriously delayed harvesting in the Prairie Provinces this fall, an estimated 85 percent of the acreage in wheat, oats, barley, and rye had been cut or swathed by mid-October. At the same time threshing or combining had been completed on 62 percent of the acreage. Generally good weather conditions had prevailed since October 15, and further progress had been made, at latest report.

Results of surveys conducted in Saskatchewan by the Provincial Department of Agriculture and in Manitoba and Alberta by the Dominion Bureau indicated that for the Prairies as a whole the following percentages of grain acreage had been cut or swathed by October 15: Wheat 83, oats 86, barley 87, and rye 98. Percentages threshed or combined were smaller, with wheat averaging 63, oats 59, barley 62, and rye 87 percent of the acreage seeded.

Canada: Estimated harvesting progress in the Prairie Provinces, to
October 15, 1954

Province and crop	Cut or swathed		Threshed or combined	
	Area	Proportion of	Area	Proportion of
	: Seeded	: area seeded	: area seeded	: area seeded
	: 1,000	: 1,000	: 1,000	:
	: acres	: acres	: acres	: Percent
<u>Manitoba</u>	:	:	:	:
Wheat	: 2,035	: 1,970	: 97	: 1,570 : 77
Oats	: 1,510	: 1,450	: 96	: 1,220 : 81
Barley	: 2,202	: 2,090	: 95	: 1,680 : 76
Rye	: 84	: 84	: 99	: 81 : 96
<u>Saskatchewan</u>	:	:	:	:
Wheat	: 15,540	: 12,590	: 81	: 9,635 : 62
Oats	: 2,851	: 2,480	: 87	: 1,800 : 63
Barley	: 2,313	: 2,010	: 87	: 1,460 : 63
Rye	: 453	: 448	: 99	: 408 : 90
<u>Alberta</u>	:	:	:	:
Wheat	: 5,862	: 4,960	: 85	: 3,470 : 59
Oats	: 2,354	: 1,825	: 78	: 935 : 40
Barley	: 3,053	: 2,500	: 82	: 1,550 : 51
Rye	: 215	: 203	: 63	: 168 : 78
<u>Prairie Provinces</u>	:	:	:	:
Wheat	: 23,437	: 19,520	: 83	: 14,675 : 63
Oats	: 6,715	: 5,755	: 86	: 3,955 : 59
Barley	: 7,568	: 6,600	: 87	: 4,690 : 62
Rye	: 753	: 735	: 98	: 657 : 87

From reports of the Dominion Bureau of Statistics

Actual cutting was virtually completed in Manitoba in mid-October, though threshing of the 4 grains was less than 80 percent completed. Saskatchewan had cut about 83 percent of its acreage of these grains and threshed about 63 percent. Least progress had been made in Alberta, where cutting was the same percentage as in Saskatchewan, but threshing had been completed on only 53 percent of the acreage.

1954-55 FRENCH MOROCCAN CITRUS CROP
ESTIMATED LARGER THAN IN 1953-54

According to latest information received from the U.S. Consulate General at Rabat the preliminary citrus production estimates in French Morocco for the current season (Oct. 1, 1954--June 30, 1955) are 7,335,000 boxes. This is an increase of 27 percent, compared with the 1953-54 production of 5,769,000 boxes. The 1953-54 crop was below expectations on account of adverse weather conditions. Hot desert winds, various diseases and hail storms reduced the size of the crop and lowered the quality of the fruit. The Government prohibits the export of low quality fruit.

On the assumption that the proportional distribution of exports by country will be about the same as last year, the prospective exports may be 4,590,000 boxes, compared with 2,951,000 boxes the previous season. Prices are expected to be slightly lower, due to the prospective increase in Italian exports to France, and rather unfavorable prospects of sales to non-French Union countries. Ninety percent of the 1953-54 French Moroccan citrus exports were to French Union countries.

FRENCH MOROCCO: Citrus production and exports,
1953-54, preliminary estimates for 1954-55.

	1954-55 1/		1953-54 2/	
	Production:	Export	Production :	Export
	1,000	1,000	1,000	1,000
	boxes	boxes	boxes	boxes
Oranges.....	6,100	3,800	4,775	2,340
Clementines...	570	470	510	400
Tangerines....	175	50	157	35
Grapefruit....	300	200	193	118
Lemons.....	190	70	133	58
Total.....	7,335	4,590	5,768	2,951

1/ Estimated.

2/ Revised.

MEXICO BEGINS RECORD COFFEE HARVEST

The Mexican 1954-55 coffee crop undoubtedly will set a record, according to the American Embassy, Mexico City. Production cannot yet be forecast accurately, but favorable weather and improved care are expected to result in a record crop of 1.75 million bags of 132,276 pounds each. This forecast exceeds the 1.35 million bags (revised) of 1953-54 by almost one-third.

Mexican exports for the 1953-54 marketing season are estimated now at 1.16 million bags, based on 11 months of exports totalling 1,153,762 bags. The United States continued to be the dominant market for Mexican coffee, taking 90.4 percent of the 1953-54 exports (89 percent in 1952-53).

Mexican domestic consumption of coffee in 1953-54 declined to only about 200,000 bags because of the sharp rise in price. Only a small portion of Mexico's population has incomes sufficient to be able to afford pure coffee at the high prices. Most of the "coffee" consumed is adulterated and contains from 30 up to 85 percent substitutes. Present consumption in Mexico is only about 1 pound per capita compared with 16-18 pounds per capita in the United States.

Throughout October, market activity has been practically suspended because of wide fluctuations and uncertainties in the New York market. When this is stabilized, export sales probably will be resumed in volume because there is no restraining influence on Mexican exports. The Government has announced that it will approve export permits for a million bags of 70 kilos (1,165,000 bags of 132.276 pounds) during the 6-month period October 1954 through March 1955, after which it will again review the situation and grant export permits for the remainder available for export. The outlook for 1954-55, therefore, is for a record crop and record exports. The only serious problem is the uncertainty as to prices.

U.S.S.R. TO EXPAND BUTTER PRODUCTION

The Soviet Union, which has been buying butter from Australia and other dairy countries, intends to expand greatly its production, according to information reported by the Australian Dairy Product Board. Russian authorities are quoted as stating butter production will be raised to about 1.5 billion pounds in 1956, an increase of 550 million pounds from the 1953 production.

Other dairy processing will be increased at the same time and the Soviet plan, as far as is known, will involve the building of about 750 butter and cheese factories and milk processing plants, the establishment of 100 urban milk depots, 16 milk canning factories and 80 cold storage plants.

To produce the milk necessary will call for an increase in cow numbers from 24.3 million recorded in January 1953 to 29.2 million by the end of 1953; this would bring the Soviet dairy herd about 1.5 million above the dairy cow population in the summer of 1941. If the Soviet Union can increase its butter production to the planned amount, it would produce more than twice the output of Western Germany.

IRISH LIVESTOCK NUMBERS

Preliminary returns show that Irish livestock numbers continued to increase during the year ending June 1, 1954. Sheep showed the greatest increase, 8 percent, and total pig numbers were up 7 percent, although sows alone increased only 2.5 percent. Cattle numbers increased about 2 percent. Both sheep and hog numbers are now greater than at any time since the outbreak of World War II.

IRELAND: Number of Livestock on Farms, June 1 (1,000 head)

Year	Cattle		Hogs	Sheep
	Total	Milk Cows		
	Head	Head	Head	Head
1939	4,057	1,260	931	3,048
1946	4,146	1,201	479	2,423
1953	4,397	1,273	882	2,930
1954	4,494	1,296	947	3,164

Cattle and meat exports have continued at high levels during this year (see Foreign Crops and Markets, October 5, 1954). Total exports for 1954 are expected to be well above those of 1953 and 1952. The Irish Fresh Meat Exporters Committee has arranged for weekend shipments of meat to the United Kingdom by air, at freight rates comparable with sea shipments, and is investigating the possibility of increasing air shipments.

NEW ZEALAND BEEF FOR U. K.

New Zealand will ship 65,000 quarters, about 11 million pounds, of chilled beef to the United Kingdom in 28 shipments during the 1954-55 exporting season according to the Chairman of the New Zealand Meat Board. He said that New Zealand's meat production was at present out of balance from the viewpoint of British butchers who could not get all the various classes of meat they wanted from New Zealand, and had to go elsewhere for some of their beef requirements. He advocated a strong effort to expand New Zealand's beef exports.

NEW POWDERED MILK PLANT
FOR VENEZUELA

The new powdered milk plant in Lara, Venezuela, financed in part by the Venezuelan Development Corporation will be in production in December selling a powdered whole milk under the brand name Mi Vaca. The plant which cost \$660,000, of which the Corporation supplied \$450,000 and farmers and promoters the remainder, has the capacity to powder about 10,000 quarts an hour; it can also process about 9,000 pounds of milk as cheese and almost 6,000 pounds for butter an hour. Refrigerated steel storage tanks hold up to 16,000 pounds of milk. Farmers are said to be able to supply about 85,000 pounds of milk daily to the plant which will pay \$5.35 a hundredweight for milk.

The powdered milk produced by the plant is expected to be eligible to importers who must purchase one unit of local powder for each 6 units imported. The product will compete with the Nestle-Borden (Indulac) production in this respect.

The Venezuelan Development Corporation is said to be studying the fluid milk problem and is expected to encourage the production of local powdered milk at reasonable prices; to effect this the Corporation is considering a subsidy to the processing plants if their costs prove higher than the retail price that could be obtained under the "reasonable" designation.

The fluid milk subsidy to dairymen is several months in arrears. Silsa, the pasteurizing and bottling company in Caracas (producer and Corporation owned) has admitted that it is processing only 215,000 pounds of milk a day with its 2.1-million-dollar pasteurizing equipment which is capable of handling over 600,000 pounds of milk daily.

FRANCE PLOTS NEW COURSE
FOR DAIRY INDUSTRY

The Government of Premier Mendes-France has just issued decrees through the Ministry of Agriculture dealing with the dairy industry of France. The over-all plan is intended eventually to bring about a reorientation of production, to lower production costs and to export products at, or near, the world price levels.

Accordingly, the reference price of milk to the producer has been set by the government for the year beginning October 1, 1954, at approximately \$3.08 a hundredweight; this corresponds to a price of \$3.52 for winter milk and \$2.77 a cwt. for milk obtained during the summer flush season.

The Government also announced that it plans to avoid, as far as possible, the differences which have prevailed in preceding years between the price of milk for fluid consumption and milk for processing. To achieve this the Government intends to determine floor and ceiling prices for the winter and summer periods; on the basis of these prices the Government will then set regulations concerning milk for fluid consumption, butter and cheese making and other uses.

The Government will also continue dairy products storage programs (see Foreign Crops and Markets for June 21 and August 23, 1954). Under the programs declaration of stocks will be mandatory. The Government will also spearhead special efforts to improve the quality of milk at the producer level, reduce the cost of production and attempt to develop consumption.

Probably most importantly, a rehabilitation fund will be set up for milk, similar to that for meat, described in Foreign Crops and Markets, August 16, 1954; under the meat fund, exporters of meat are reimbursed from a meat Fund where the export price is below domestic price paid, but if the meat was sold at a higher price, part of the excess would be paid into the Fund. Under the dairy proposal the Dairy Fund would receive some revenue from the meat circulation tax because of the close relationship between the two markets. Other funds would come from a resorption tax to be paid by producers.

The sugar industry is also having its difficulties in France and the Government has established a program to distribute sweetened milk and milk and sugar in schools.

PHILIPPINE REPUBLIC TO ALLOW LIMITED IMPORTS OF U.S. LEAF

President Magsaysay of the Philippine Republic has authorized the importation of 7.9 million pounds of United States flue-cured tobacco to supplement domestic tobacco to be used in the first quarter of 1955. In order to receive import permits, cigarette manufacturers must prove that they have met all requirements of the tobacco law. They believe that it will not take long to prepare the necessary papers. In addition to other certifications and affidavits required, each is requested to sign a statement agreeing to buy his proportionate share of the new domestic tobacco crop. It is hoped that the signing of this statement will satisfy Government requirements without the necessity of a formal contract with a penalty clause for failure to purchase an allotted share of the domestic crop.

MEXICAN IMPORTS OF UNMANUFACTURED TOBACCO HIGHER IN 1954

The American Embassy at Mexico City reports that Mexican imports of leaf tobacco were about 1.7 million pounds greater in the first 8 months of 1954 than during the entire year of 1953. More than 99 percent of all imports of unmanufactured tobacco were from the United States. Imports of cigarettes were at about the same level as last year but they will be cut sharply in the future by a reduction in import licenses.

Mexico: Imports of Unmanufactured Tobacco and Tobacco Products

Kind	1952	1953	1954 (8 mos.)
	1,000	1,000	1,000
	<u>pounds</u>	<u>pounds</u>	<u>pounds</u>
<u>Unmanufactured Tobacco:</u>			
Flue-Cured Leaf	850.5	1,317.2	1,350.5
Filler Leaf 1/	2,728.0	1,985.5	3,663.6
Wrapper Leaf	23.6	17.6	8.2
Total Unmfg. Tobacco	3,602.1	3,320.3	5,022.3
<u>Tobacco Products:</u>			
Cigarettes	126.3	249.1	173.9
Other Mfg. Products	17.2	18.5	9.5
	143.5	267.6	183.4

1/ Primarily Burley

WORLD SOYBEAN PRODUCTION AT ALL-TIME HIGH

World production of soybeans is expected to be at an all-time high in 1954. The preliminary forecast of the Foreign Agricultural Service places the crop at 735 million bushels, representing a 14 percent increase from the 1953 revised estimate of 645 million bushels and a 9 percent increase from the previous high of 675 million bushels produced in 1952.

Over three-fourths of the anticipated 90-million-bushel increase is accounted for by the United States and an estimated one-fifth by China-Manchuria. Output in virtually all of the secondary producing areas for which reliable data are available also increased from last year.

Soybean production in the United States is indicated at a record 331 million bushels. This is an increase of over one-fourth from the 1953 crop and is 11 percent larger than the previous record of 299 million bushels harvested in 1950. The record production is due largely to the 21 percent increase in acreage harvested for beans. However, the average yield of 19.1 bushels per acre this year exceeds the relatively low yield of 18.3 bushels last year, although it is below the 1943-52 average of 19.9 bushels. Farmers planted a record acreage of soybeans because of the diversion of acreage from corn, wheat and cotton, which are under allotment programs, and from oats where planting was delayed beyond optimum dates. Moreover, soybeans were selling at favorable prices during and previous to planting time.

Production in Canada set a new record for the eleventh successive year. The crop, confined to Ontario Province, is estimated at 5,334,000 bushels, up 21 percent from 1953 and over 25 times the average prewar volume. The increased production came primarily from a record acreage; yield per acre exceeded last year but was far short of the high yield of 1952.

SOTBEANS: Acreage, yield per acre, and production in specified countries and the world, averages 1935-39 and 1945-49, annual 1952-1954 1/

Continent and country	Acreage 2/				Yield per acre				Production			
	Average		Average		Average		Average		Average		Average	
	1935-39	1945-49	1952	1953	1935-39	1945-49	1952	1953	1935-39	1945-49	1952	1953
	acres	acres	acres	acres	bushels	bushels	bushels	bushels	bushels	bushels	bushels	bushels
NORTH AMERICA												
Canada.....	10:	73:	172:	216:	25.4:	20.5:	24.0:	20.4:	1,491:	1,491:	4,128:	4,406:
United States 5/.....	3,042:	10,649:	14,338:	14,366:	17,329:	18.5:	20.8:	18.3:	56,167:	208,885:	298,052:	262,341:
EUROPE												
Italy.....	6/	4:	2:	1:	-	12.1:	23.0:	25.4:	1:	74:	51:	35:
Yugoslavia.....	5:	15:	5:	-	-	14.9:	8.4:	-	71:	155:	41:	-
Other Europe.....	93:	70:	95:	95:	90:	-	-	-	1,067:	455:	480:	565:
U.S.S.R. (Europe and Asia).....	607:	-	-	-	-	-	-	-	5,805:	-	-	-
ASIA												
Turkey.....	12,411:	11,256:	7:	-	-	29.0:	14.9:	-	37:	45:	110:	-
China.....	8,992: 4/	7,048:	7,400:	8,200:	-	16.7:	16.9:	-	207,666:	190,248:	200,000:	198,000:
Manchuria.....	889: 7/	872:	1,063:	1,161:	-	16.8:	16.5:	16.3:	151,294: 4/	116,475:	125,000:	134,000:
Indonesia.....	797:	612:	1,013:	1,062:	1,120:	10.0:	9.7:	9.3:	8/	9,731: 7/	10,343:	10,839:
Japan.....	1,921:	583:	589:	617:	-	15.6:	12.1:	15.2:	12,338:	7,432:	19,161:	16,094:
Korea 9/.....	17:	32:	-	-	-	10.0:	18.9:	8.1:	17,654:	4,984:	4,135:	4,995:
Taiwan (Formosa).....	15: 4/	17:	59:	54:	-	8.9:	7.0:	-	151:	297:	551:	625:
Thailand.....	-	-	-	-	-	15.4:	14.4:	13.7:	232: 4/	167:	850:	743:
SOUTH AMERICA												
Brazil 10/.....	-	23:	148:	148:	162:	19.0:	19.3:	21.9:	-	446:	2,862:	3,242:
AFRICA												
Tanganyika.....	-	-	-	-	-	-	-	-	-	-	-	-
Union of South Africa.....	-	10:	-	-	-	-	-	-	-	-	15:	25:
Total excluding "Other Europe,"	5,670:	12,960:	17,550:	17,795:	20,875:	-	-	-	87,185:	234,395:	341,165:	304,295:
U.S.S.R., Chinese Mainland and	-	-	-	-	-	-	-	-	-	-	-	-
North Korea.....	-	-	-	-	-	-	-	-	-	-	-	-
World total 11/.....	29,000:	32,670:	38,295:	39,240:	42,715:	-	-	-	463,720:	551,530:	674,905:	645,120:

1/ Years shown refer to years of harvest. Southern Hemisphere crops which are harvested in the early part of the year are combined with those of the Northern Hemisphere harvested the latter part of the same year. 2/ Figures refer to harvested areas as far as possible. 3/ Preliminary. 4/ Average of less than 5 years. 5/ Acreage harvested for beans. 6/ Less than 500 acres. 7/ One year only. 8/ Java and Madura only. 9/ Beginning with 1948 figures represent South Korea only. 10/ Rio Grande do Sul and Sao Paulo. 11/ Includes estimates for the above countries for which data are not available and for minor producing countries.

Foreign Agricultural Service. Prepared or estimated on the basis of official statistics of foreign governments, reports of Agricultural Attaches and other United States representatives abroad, results of office research, or other information. Prewar estimates for countries having changed boundaries have been adjusted to conform to present boundaries, except as noted.

Soybean output in China-Manchuria may approximate 350 million bushels against an estimated 332 million bushels in 1953. Acreage was expected to be up slightly and the yield per acre may be somewhat better than last year.

Japan's crop is expected to exceed last year's by about 1 million bushels. Conditions in all areas, with the exception of Hokkaido, are reported favorable. In Indonesia, output reportedly is well above 1953. Harvests in Taiwan and Thailand probably approximated the 1953 level.

Brazil's crop is estimated to be up about 13 percent. Production continues to increase in both Rio Grande do Sul and Sao Paulo, the principal producing states, largely because of increased acreage. Moreover, a further increase in plantings is anticipated in both states. From the 1954 crop about 2.8 million bushels of beans should be available for crushing or export.

Soybean production in Africa continues to be relatively insignificant. Nigeria, with a production for export of around 150,000 bushels, appears to be the major producer. Smaller quantities are grown in the Union of South Africa and British East Africa.

This is one of a series of regularly scheduled reports on world agricultural production approved by the Foreign Agricultural Service Committee on Foreign Crop and Livestock Statistics. It is based in part upon reports of Agricultural Attaches and other U. S. representatives abroad.

GOLD COAST FIRST QUARTER 1954 PALM KERNEL AND COPRA PURCHASES AND EXPORTS

The Gold Coast Agricultural Produce Marketing Board has announced that purchases in the first quarter 1954 amounted to 1,610 short tons of palm kernels and 989 short tons of copra. Exports in the same period were 1,575 short tons of palm kernels at an average value of \$137.65 per ton and 788 short tons of copra at an average value of \$200.45 per short ton. First quarter exports of palm kernels were at a lower rate than prevailed in 1953, when exports for the year totaled 7,840 short tons. Copra exports in the first quarter were at a higher rate than in 1953, when exports totaled 2,194 short tons.

SIERRA LEONE 1954-55 OILSEED PRICES

The Sierra Leone Produce Marketing Board has announced the following minimum prices to producers during the 1954-55 marketing season now getting under way: peanuts, in-shell, \$60.00 per short ton, shelled \$95.00. These prices are unchanged from 1953-54 prices. The sesame price was set at \$93.35, an increase of nearly \$12.00 per short ton over last year. According to the last previous information, the 1954 peanut crop is expected to be as large as last year, and should supply the usual exports of about 3,000 tons.

URUGUAYAN EXCHANGE
RATES FOR WOOL

In order to bring more exchange dollars to Uruguay, the Uruguayan Government has restored the 5 percent portion of the f.o.b. export value on all wool shipments transacted in dollars which may be converted at the higher free market rate (approximately 3.25 pesos to the dollar). The remaining 95 percent of the export value is converted at the standard rate of 1.519 pesos to the dollar. For all other inconvertible currencies, including "trade agreement dollars," the $2\frac{1}{2}$ percent portion, which may be converted at the free market rate, remains unchanged.

The ruling became effective on October 19 and applies to greasy and washed wool irrespective of the year of clip. Apparently a proportional change was made for wool tops exported to dollar areas. For semi-washed pulled wool (except that shipped by packing houses), blouses, cards and other by-products of the wool industry only 2 percent may be freely converted on dollar transactions, while $2\frac{1}{2}$ percent applies to inconvertible currencies. Pulled wool exported by packing houses will be permitted up to 5 percent subject to approval of the controller of exports and imports.

FRANCE REVISES CITRUS
IMPORT REGULATIONS

On October 7 the French Government issued revised regulations governing the importation of citrus fruits during the period November 1, 1954 through October 31, 1955.

The following appear to be the main changes in the regulations compared with those in force during the preceding season:

- (1) All oranges must be wrapped in paper this year.
- (2) The origin of the fruit must be indicated on the wrapper, whereas last year it could be given either on the orange itself or on the wrapper.
- (3) Bulk shipments are forbidden.

The text of the regulation is as follows:

"Importers of citrus fruit from all foreign sources must comply with the following regulations:

1. General rules regarding quality

The fruit must be sound, genuine and marketable. It must, in particular:

- a) Be ripe, that is, it must have the appearance and color proper to the variety, as well as a percentage of juice equal to at least 25 percent of the weight of the fruit.

- b) Not be damaged in any way that makes it unfit for consumption (crushing, serious parasitic injuries, decay, etc.). It must not show signs of even partial frost damage or of sub-peduncular drying-up. In any given lot, the total percentage of unacceptable fruit must not exceed 10 percent at the time of clearance through customs.
- c) The origin of the imported fruit must be indicated on the paper wrappers in letters of at least 4 millimeters.
- d) Imported citrus must be packed (crates, cases, boxes, small boxes including the "Jaula" type box).

2. Special rules for oranges

In addition to the general rules outlined above, orange imports must comply with the following regulations:

- a) Maturity - The maturity index of the juice (i.e. dry soluble extract ratio to acidity expressed in anhydrous citric acid) must be at least 6.5. Brix degrees must be at least 9.5. The juice content must be at least equal to 30 percent of the weight of the fruit.
- b) Packing - Imported oranges must be packed after grading for size. They must have a diameter of at least 55 millimeters. The contents of each box must be identical as regards size and variety of fruit. The size and variety must be indicated on the box."

INDIA EXPECTS 5 PERCENT INCREASE IN 1954-55 COTTON CROP

The 1954-55 cotton crop in India is forecast at approximately 3,900,000 bales (500 pounds gross) or about 5 percent higher than the 1953-54 crop of 3,730,000 bales, according to V. Krishnamurthy, American Embassy, Bombay.

September crop estimates were lowered because of damage from heavy rains, but were revised upward in October with improved weather. Current estimates exceed the official target of 4,250,000 Indian bales (3,470,000 bales of 500 pounds gross), announced for 1954-55 under the First Five-Year Plan initiated April 1, 1951. All bales referred to in this report are 500 pounds gross, unless otherwise noted.

Cotton consumption in India for the year ending July 31, 1954, amounted to approximately 3,970,000 bales, including 3,750,000 consumed by spinning mills, and 220,000 used in nonmill consumption. Mill consumption was increased by 3 percent over 1952-53 consumption of 3,642,000 bales, and in 1953-54 was composed of 84 percent Indian cotton, 3 percent United States, 6 percent Egyptian, and 7 percent other foreign growths.

India's imports of cotton in 1953-54 totaled 494,000 bales, or 12 percent below the previous year. Principal sources in 1953-54, with 1952-53 figures in parentheses, were: Egypt 200,000 bales (204,000); United States 125,000 (77,000); Kenya 117,000 (195,000); Sudan 43,000 (63,000); and Uganda 7,000 (10,000).

Only 92,000 bales of cotton were exported by India during August-July 1953-54, a decline of 68 percent from exports of 292,000 bales in 1952-53. Principal destinations of India's 1953-54 exports, with 1952-53 figures in parentheses were: Japan 47,000 bales (143,000); United Kingdom 12,000 (17,000); United States 10,000 (36,000); the Netherlands 7,000 (20,000); France 7,000 (19,000); and Western Germany 3,000 (17,000).

On October 12, 1954, the Government of India announced the establishment of an export quota of 100,000 Indian bales (81,700 bales of 500 pounds gross) of short staple cotton during the September 1954-August 1955 cotton season, comprising 40,900 bales of Bengals; 20,400 bales of Mathias, Dholleras, and Kalagins; and 20,400 bales of C.P.I, C.P.II, Central India Desi, and Comra Desi of staple not exceeding 11/16 inch. Additional releases for export if justified by the crop position, will be announced when the present quota is exhausted.

India's cotton stocks on July 31, 1954, were estimated at 1,735,000 bales or about 10 percent higher than stocks of 1,570,000 bales held a year earlier.

Futures trading in Bombay, which was suspended on August 24, 1954, was resumed on October 7, after acceptance by the East India Cotton Association of certain amendments to its by-laws, suggested by the Forward Markets Commission of the Government of India, with a view to curbing undesirable speculative activity.

Prices of Jarila, Fine, on the Bombay spot market on October 28, 1954, were 690 rupees per candy (18.43 U.S. cents per pound) excluding export taxes equivalent to 10.68 U.S. cents per pound. Prices for the same grade on September 30, 1954, were 725 rupees per candy (19.36 U.S. cents per pound) excluding export taxes equivalent to 10.68 U.S. cents per pound. Jarila fine 25/32 inch staple is the basis used in spot and futures trading but this variety is not among those permitted for export.

JAPAN'S COTTON IMPORTS INCREASED 18 PERCENT IN 1953-54

Japan's imports of 2,431,000 bales (500 pounds gross) of raw cotton during the year ending July 31, 1954, represented an 18 percent increase over their imports of 2,055,000 bales in the 1952-53 year, according to R. B. Peters and S. Kondo, American Consulate General, Kobe, Japan. The United States share of Japan's cotton imports increased from 30 percent of the total in 1952-53 to 39 percent in 1953-54. Imports from Mexico dropped from 24 percent in 1952-53 to 20 percent in 1953-54, those from Pakistan dropped from 21 to 13 percent, and Brazil increased from 1 to 9 percent. Quantities of cotton imported from the major sources in 1953-54 with 1952-53 figures in parentheses were: United States 942,000 bales (625,000); Mexico 476,000 (503,000); Pakistan 311,000 (439,000); Brazil 210,000 (30,000); Egypt 93,000 (85,000); and India 68,000 (172,000).

Cotton consumption in Japan during the year 1953-54 amounted to 2,555,000 bales, including 2,435,000 bales consumed by the milling industry, and an approximate 120,000 bales utilized for nonspinning purposes. Cotton mill consumption represented a 26-percent increase over the 1952-53 mill consumption of 1,930,000 bales.

On April 1, 1954, the beginning of the current Japanese fiscal year, the Government drastically reduced the amount of cotton which could be used to manufacture goods for the domestic textile market from 110,000 to 69,000 bales per month. In order to obtain supplies of raw cotton, spinners must export equivalent amounts of yarn or fabric. These limitations necessarily place considerable emphasis on textile exports, and many small spinners have had to develop export volume by undercutting prices of larger firms.

A trade agreement between Japan and Pakistan, signed on October 30, 1954, and effective for one year from September 15, 1954, includes several commodities and products. The agreement will facilitate Japanese purchase of 450,000 bales (368,000 bales of 500 pounds gross) of Pakistani cotton, and export to Pakistan of an equivalent value in textiles and other products.

The operable spindleage as of August 31, 1954 for the 132 members of the All Japan Cotton Spinners Association was 7,879,910 spindles, or 27,160 more than at the end of July 1954. The actually operated to operable spindle ratio for August was 88.7 percent, a sizable drop from the 91.8 percent for July. The number of spindles actually operated in August was 6,987,450.

Stocks of raw cotton on hand August 31, 1954, amounted to 506,000 bales, dropping 9 percent from 558,000 held a month earlier, and 15 percent from the year's high of 595,000 bales held on June 30, 1954. These figures include cotton purchased but not yet arrived. The quantity actually in Japan on July 31, 1954, was estimated at 400,000 bales, down 24 percent from 520,000 bales in stock on July 31, 1953.

Raw cotton prices in Japan are world prices plus charges for insurance, freight, and agency commissions. Recent quotations for selected varieties were as follows:

C.I.F. Japan Raw Cotton Quotations
(U.S. cents per pound)

	<u>October 10, 1954</u>	<u>September 10, 1954</u>
Pakistan 4F RG.....	38.38	34.87
Egyptian Ashmouni RG.....	50.90	49.60
Mexican SM 1-1/16" (Matamoros).	40.95	40.00
U.S. Middling 15/16".....	38.65	37.98

TRADE DEVELOPMENTS IN FOREIGN COUNTRIES

South Africa's Agricultural Exports Increase: Agricultural exports of some items in 1954 by the Union of South Africa show significant increases. This is coupled with a general strengthening of its balance of payments, and announcement of relaxation of some import controls for 1955 (see Foreign Crops and Markets, October 25, 1954).

The most significant increase is in the volume and value of corn exports, which for the first 7 months of 1954 were \$21,050,000 compared with only \$606,000 for the same period of 1953. The volume of exports is already approximately 12,000,000 bags (200 pounds). This is caused by two favorable crop years, coupled with the firm establishment of a hybrid corn program.

Total value of all fruit exports increased by approximately \$5,600,000 for the first 7 months of 1954 compared with 1953. Citrus exports from the 1953-54 crop are expected to establish a record for both volume and value. Exports of South African canned fruit to the United Kingdom in the first 9 months of the 1953-54 season are reported as 29 percent greater than in the same period of the previous season.

Panamanian Duties on Fats, Oils, Soaps, and Detergents Increased:

Decree Law No. 18 of September 23, 1954 provides a new specific duty on fats, oils, soaps, and detergents, that may vary at the option of the Government between 100 percent and 500 percent of the old rate. The law becomes effective on December 1, 1954. The law permits the administrative determination and change from time to time in the actual rate of duty to be applied to various products within very wide limits; this determination to be based on world market prices. Old and new rates for selected agricultural items follow:

<u>Tariff</u> <u>Nos.</u>	<u>Commodity</u>	<u>Old Rate</u>	<u>New Rate</u>
60 to 63 & 228 to 233	Fats & oils, including lard, cotton and soybean oil	10 cents per gross kilo	20 to 45 cents per gross kilo
370 to 373	Oilseeds, including cottonseed	15% ad valorem	60% ad valorem or 10 cents per gross kilo

Japan - Pakistan Trade Agreement Signed: On October 30, 1954 Japan and Pakistan signed a trade agreement effective for one year from September 15, 1954. Although the exact terms have not been announced, reports indicate that Japan agreed to purchase approximately 450,000 bales of Pakistan cotton, small quantities of jute and very limited quantities of a few additional agricultural products. Pakistan, it is understood, agreed to purchase cotton textiles, yarn, and various kinds of machinery.

India and East Germany Exchange Trade Letters: An exchange of trade letters occurred in New Delhi on October 16 between the Government of India and a visiting trade delegation of the East German government. The trade arrangement, which was effective immediately, is to remain in force for one year. Principal commodities listed as available for export from India include tea, coffee, tobacco, raw cotton, jute goods, silk, wool, spices, leather, hides, skins, shellac, mica, and chrome. Items which may be imported from East Germany include machinery and parts for the chemical and pharmaceutical industries, mining machinery, textile machinery, tractors, newsprint, and chemicals. Payment may be made in Indian rupees or pounds sterling. Reportedly, the informal trade arrangements with East Germany have been generally welcomed in Indian trading circles.

Peruvian Trade Balance Shows Improvements: Peruvian foreign trade figures have continued to show improvement in 1954 - the cumulative deficit for the first 8 months being \$10,600,000 as compared with \$54,500,000 for the comparable period in 1953. The inflow of foreign exchange from all sources during August, including earnings from forward transactions, was at the highest monthly level during the first 8 months of 1954. Agricultural exports helped account for Peru's favorable August trade balance. In addition to heavy cotton shipments, Peru made record seasonal shipments of coffee, increased exports of mung beans and there was a relatively heavy movement of castor beans, a new Peruvian product. Total exports of these beans, including equivalent in oil, will amount to nearly 2.2 million pounds for 1954.

Colombia Increases Import Duties: The Colombian Government apparently is reversing the position taken earlier this year when it reduced import duties and restrictions on many products. By a series of decrees, effective immediately, import duties are increased on many items, several products are declared "nonessential" and moved to Group 2 in the import categories, importation of certain products may be made only by the Government, deposits required against import licenses are doubled, and several other restrictions are imposed. Of particular interest to agriculture are the following:

Importation of potatoes, wheat, rice, barley, corn, fresh fruits and vegetables, and rye may be made only by the Government-owned Corporacion de Defensa de Productos Agricolas, and 50 percent of the profits from such imports shall provide capital for the agricultural bank.

A special tax of 10 centavos per kilo is imposed on imports of wheat flour and semolina, in addition to the regular import duty. The import duty on semolina is increased from 30 to 50 centavos per kilo plus 25 percent ad valorem, and on shell eggs from 5 to 50 centavos per kilo plus 5 percent ad valorem.

Venezuela Issues Licenses for Imports of Selected Agricultural Items:

The Venezuelan Government has issued licenses for the importation of about 845 thousand bushels of potatoes during the period September 1954 to January 15, 1955. The Government decided not to issue licenses for the importation of onions, but licensed garlic imports for the central ports. Baby chick licenses for the final quarter of 1954 were limited to 1,600,000. During 1953 the United States exported \$722 thousand worth of potatoes to Venezuela, \$3 thousand worth of onions, and baby chicks valued at about \$1,050 thousand.

PUBLICATIONS RELATING TO U.S. FOREIGN AGRICULTURAL TRADE

Issued recently and available free upon request from the Foreign Agricultural Service, U. S. Department of Agriculture, Washington 25, D. C.

Fats, Oils and Oilseeds: World Exports. Foreign Agriculture Circular FFO 19-54

World Cotton Supply and Demand, 1953-54. Foreign Agriculture Circular FC 34-54

First Forecast Indicates Smaller World Corn Crop. Foreign Agriculture Circular FG 11-54

World Cotton Stocks Up 15 Percent. Foreign Agriculture Circular FC 37-54.

U. S. Cotton Exports--Review and Outlook. Foreign Agriculture Circular 38-54

Philippine Abaca Situation, First Half of 1954, with Comments on Ramie. Foreign Agriculture Circular FVF 21-54.

Flood Destruction of Jute Crops in India. Foreign Agriculture Circular FVF 22-54.

Results of Tests on Flue-Cured Tobacco in the Gold Coast and Cyprus, and Burley Grown in Cyprus. Foreign Agriculture Circular 39-54.

Syria's 1954-55 Cotton Crop May Set Record. Foreign Agriculture Circular FC 35-54.

MALAYA'S PALM OIL AND PALM KERNEL PRODUCTION
AND EXPORTS INCREASE FROM 1953

Malayan palm oil and kernel production and exports in January-June 1954 were strong, reports Harry W. Heikenen, American Embassy, Singapore. Output of palm oil estimated at 15,806 short tons in the second quarter of 1954 compared with 13,992 tons produced in the preceding quarter and 13,879 during the second quarter of 1953, reflected increases of 13 and 14 percent, respectively. Six-month production of 29,799 tons also reflected an increase of 12 percent from the corresponding period of 1953. Imports which were small, declined.

While exports of palm oil to the United Kingdom dropped sharply, in the second quarter they totaled 15,920 short tons, about one-fifth more than in either the first quarter this year or the second quarter in 1953. The quantity sold in the first half of 1954 aggregated 29,037 tons, a sizable increase from the first half of 1953. This was due to larger shipments to Canada, India, and the Netherlands, not fully offset by reduced takings by the United Kingdom and Western Germany of 12,313 and 2,530 tons, respectively.

Palm oil prices dropped in the period July to October 1954 to about \$75 per long ton (U.S. \$187.31 per short ton) basis c.i.f. European ports. A very heavy demand from the United Kingdom accompanied a price rise to \$81 (\$202.29). Furthermore, the whole Malayan production of palm oil has been sold forward for shipment to the United Kingdom up to the end of January 1955. Canada continued to take small quantities at the recent price which was, for November shipment, 10-1/8 U.S. cents per pound c.i.f. Halifax. Meanwhile, India appears less interested due to currently high prices.

MALAYA: Palm oil and palm kernel exports,
average 1935-39, annual 1953 and January-June 1953-54

(Short tons)

Country	(Palm oil)				Palm kernels			
	Average:		January-June		Average:		January-June	
	:1935-39:	1953	: 1953 :	1954 1/	:1935-39:	1953	: 1953:	1954 1/
Canada.....	9,599:	2,157:	698:	7,526:	-	-	-	-
Denmark.....	-	-	-	-	226:	2,663:	872:	1,885
Western Germany..	-	3,833:	3,833:	1,303:	1,410:	2,998:	2,242:	425
France.....	-	-	-	-	-	1,524:	1,076:	924
India.....	908:	15,172:	3,416:	9,251:	-	-	-	-
Netherlands.....	-	440:	328:	4,969:	1,304:	5,822:	2,489:	3,581
United Kingdom...	23,270:	28,641:	15,758:	3,445:	2,115:	247:	-	-
Other countries...	13,583:	886:	730:2/	2,543:	3,077:	-	-	2/ 577
Total.....	47,360:	51,129:	24,763:	29,037:	8,132:	13,254:	6,679:	7,392
1/ Preliminary. 2/ Exports of palm oil to Belgium amounted to 1,433 tons; palm kernels - 560 tons.								

Compiled from official sources.

The entire Malayan export of palm kernels in the second quarter went to Western Europe, with Belgium as a new customer. Palm kernel exports increased over 10 percent in the first half of this year as compared with exports for the same period of last year. Denmark and the Netherlands were the leading purchasers, while Belgium bought 560 short tons during the quarter under review. Six-month production rose 17 percent over 1953.

No sales were made of palm kernels beyond October 1954 and the last price sold was £46 per long ton (\$114.88) c.i.f. European ports. Since July 1954, prices dropped steadily to £45.10s per ton (\$113.63), but have recently risen in sympathy with copra, and November shipment is now being offered at around £50 (\$124.87).

BRAZIL'S 1954 OILSEED OUTPUT UP 10 PERCENT

Recent estimates indicate that the 1954 production of major oilseeds in Brazil is about 10 percent above last year, reports Paul Ferree, Assistant Agricultural Attache, American Embassy, Rio de Janeiro. The data reported include changes in several of the estimates previously published (See Foreign Crops and Markets of May 17, 1954, page 456). Consumption of vegetable oils may be increasing to an even greater extent, however, if the continued decline in exports and the increases in domestic prices are criteria.

BRAZIL: Production of specified oilseeds, 1954 with comparisons

(Short tons)

Commodity	Average 1935-39	1952	1953	1954
Cottonseed.....	987,440:	738,500:	683,400:	772,000
Castor beans.....	148,000:	174,160:	177,300:	199,300
Babassu kernels.....	46,250:	77,900:	66,140:	60,600
Peanuts.....	14,760:	159,830:	161,500:	176,000
Oiticica seed..... <u>3/</u>	23,900:	32,600:	27,560:	24,250
Flaxseed.....	- : <u>4/</u>	24,720: <u>4/</u>	24,000:	-
Sesame seed.....	- :	3,860:	4,400:	5,500
Soybeans.....	- : <u>5/</u>	85,850: <u>5/</u>	97,250: <u>5/</u>	110,200
Tucum nuts..... <u>6/</u>	3,108:	4,000:	6,600:	5,500
Tung fruit.....	430:	7,130:	7,030:	7,000
Ouricury nuts.....	3,540:	2,200:	2,200:	2,400

1/ Revised. 2/ Preliminary. 3/ 1937-39. 4/ Equivalent in 1,000 bushels:
1952 - 883; 1953 - 866. 5/ Equivalent in 1,000 bushels: 1952 - 2,862;
1953 - 3,242; 1954 - 3,674. 6/ Exports.

Compiled from official and unofficial sources.

Production of vegetable oils in Brazil in 1953 is estimated at 227,600 tons. About three-fourths of this oil was of edible types, although part was diverted to industrial purposes. Output of vegetable oils is expected to increase further in 1954. Demand for edible fats shows a shift toward hydrogenated and liquid vegetable oils.

Animal fat production has declined somewhat even though total live-stock slaughter is rising. Official estimates of commercial lard and tallow output in 1953 were 85,270 and 47,840 tons, respectively, against 90,190 and 44,320 in 1952. Imports of lard have increased slightly. About 10,000 tons of lard was reported to have been purchased by the Federal Price and Supply Agency from the Netherlands this year in order to increase lard supplies and keep prices down. This imported lard was purchased at competitive world prices at an exchange rate of 18.72 cruzeiros plus a 7.00 cruzeiros premium, or 25.72 cruzeiros per dollar.

Brazil's exports of principal vegetable oilseeds and oils in the first half of 1954 totaled 33,152 and 13,398 short tons, respectively, as compared with 11,000 and 19,100 tons in the corresponding period of 1953.

A commodity breakdown of the January-June 1954 exports (12-month 1953 data in parentheses) is as follows: Castor beans--30,534 tons (23,591); castor oil--9,841 (29,485); soybeans--2,537 (28,789); other oilseeds--36 (94); oiticica oil--3,273 (5,554); and other vegetable oils--284 tons (106 tons). The bulk of the castor beans, castor oil, and oiticica oil was shipped to the United States, while most of the soybeans went to Japan.

Imports of fats and oils into Brazil in the first half of 1954 consisted mainly of 674 tons of palm oil and 8,047 tons of lard. All of the lard and most of the palm oil was purchased from the Netherlands.

JAPAN MAY EXPORT WHALE OIL TO THE NETHERLANDS

Three Japanese fisheries companies recently were reported about to close a sale of 7,300 tons (presumed to be metric) of whale oil at a price of £74 per ton (\$188 per short ton) cost and freight, delivered in Rotterdam, according to information available to the Foreign Agricultural Service. The actual return was to be 4,000 tons of sugar, subject to governmental approval.

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